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Senate Chamber

Secretary,
Joint Committee on Small Business

Committee on Corporations

Committee on
Health, Education and Welfare

Joint Committee on
Environment and Energy

**Remarks of State Senator Bill Walaska
Before the Government Reform and Oversight Committee,
Subcommittee on National Economic Growth, Natural Resources and Regulatory Affairs
Thursday, April 23, 1998**

Good afternoon. I am State Senator Bill Walaska of Rhode Island, where I sit on the Joint Environment and Energy committee. I am also a member of the American Legislative Exchange Council, the largest bipartisan membership organization of state legislators. Within ALEC, I am an executive committee member of the Energy, Environment, Natural Resources and Agriculture Task Force. I am here today to discuss the consequences of the Administrations' Global Climate Change policy.

Many aspects of the global climate change discussion are troublesome. Scientists have not reached a conclusion as to the existence of any long term warming trend, let alone the impact from human activity. Additionally, a treaty that is binding on some, but leaves others out of the mix would create sharp competitive disadvantages to the participant nations. The economic costs, which the Kyoto protocols acknowledge in exempting developing nations, would be extremely burdensome to nations like the US dependent on exports, energy production, and energy consumption.

As a state legislator, I am concerned about the attempt at “backdoor” implementation without ratification. The Environmental Protection Agency and other agencies have begun a concerted effort to exert pressure on state environment agencies to implement programs designed to meet Kyoto emission reduction goals. Such efforts circumvents the US Senate ratification process, violating separation of powers unconstitutionally. Our founding fathers never intended such a pervasive treaty affecting the entire nation’s security and economy to become the law of the land through the actions of **unelected** bureaucrats. In this regard, ALEC has passed a model bill **reaffirming** the Senate ratification process and state sovereignty. In my comments, I will touch on the concerns I have in the other areas, but I will focus on the one area about which there is little debate: the extreme economic burden the treaty would cause.

It is an entirely natural phenomenon for the climate of the world to change. Throughout history, the planet has experienced ice ages, and resultant periods of warming. In fact the world is still recovering from the Little Ice Age that occurred around the year 1400. The average global temperature fluctuates year to year, related in part to sunspot activity. Conditions such as El Nino, which has been occurring for thousands of years, also offer evidence of naturally occurring climate change.

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Much of the public debate has been shaped by the media portrayals of impending doom. However, according to Accu-weather, the world’s leading weather forecasting company, there has been only a .45 degrees C change in this century, and satellite data shows that a slight cooling has **ocurred** in the last 18 years. Additionally, the media seems to go through its own hot and cold periods. Twenty years ago there were reports of catastrophic global cooling.

Conversely, during a period of warming, the media will portray the impending disaster of catastrophic temperature increases. While periods of warming and cooling are normal, the question becomes; is there a human impact on these changes?

The basis for the Administration's Kyoto Climate Change Protocols is the proposition that human caused emissions of so-called greenhouse gases, or CO₂, are responsible for any warming. In fact, CO₂ is emitted by every living thing on the planet. Human activity accounts for only 2% of the emissions. The computer models available for forecasting today offer contradictory results. They have limited ability to predict with certainty the weather next week, let alone next century. They can not accurately predict how the climate will respond, how much if any warming will occur, how soon it will happen, and what the impacts will be.

While I am not a scientist, I do know that a Gallup survey of the American Meteorological Society and the American Geophysical Society found that only 17% of their members believe that any warming is the result of human activity. Additionally, over 15,000 scientists recently signed a petition that urged the rejection of the Kyoto protocols. These scientists find no convincing evidence that human activity is causing heating of the atmosphere, or disruption of the climate. The signatories include over 2,000 geophysicists, climatologists, meteorologists. Many of the rest are trained in fields able to critically evaluate climate research. This seems to me a clear message from the scientific community that there is still much debate about global climate change.

Leaving aside the scientific debate, there also exists the issue of fairness. Any effort

designed to cut emissions of greenhouse gases must include universal participation. If human activity causes **only** 2% of greenhouse gas emissions, the nations whose industries emit the greatest concentrations of greenhouse gases must participate in any reduction plan. While developing nations were exempted precisely because of the economic burden of reducing emissions, this leaves the US and other developed nations at a competitive disadvantage. As Mike **Buckner** of the United Mine Workers said, “regardless of the science, it if a flawed agreement.” Developed nations already spend far more on cleaning up the environment than do developing nations. This treaty would cause the US to bear an even greater proportion of economic hardship.

As I stated before, I am not a scientist. I am a state Senator. I am most concerned about the effects that this treaty would have on my family, my constituents, and my state. Economically, this treaty would be a disaster. Rhode Island currently ranks 26th in the country in economic growth, and 33rd in employment gain. Our employment level has not yet reached the 1990 peak. While much of the country has been experiencing flush economic times, Rhode Island is still in the midst of a fragile recovery. The emissions reductions called for in the administrations planning would jeopardize that recovery, and cause severe economic dislocation. A recent GAO study determined as much, concluding in part that “actions to reduce greenhouse gas emissions and global warming will have significant economic consequences.” Far from the painless proposition the administration touts, the treaty would be a nightmare for the states.

The states hit hardest would be those with export intensive economies, or those that are either energy producing or high energy consumption states. According to the Wharton

Econometric Forecasting Associates (WEFA) study, under the proposed carbon stabilization case, the New England region would suffer a 1.9% decline in Gross State Product from the baseline by 2010. Employment would decline by .8%, and real personal income would decline by 1.6%. Under the current plan, these jobs would most likely be exported overseas, to non-participating countries. Manufacturing, agriculture, real personal income- all of these areas would suffer under the emission reduction plans.

Mandated reductions in energy consumption would result in price increases for all energy commodities. According to the Competitive Enterprise Institute, gasoline is likely to increase in cost by over 50 cents a gallon. In Rhode Island, home heating oil would increase in cost by 55% over the baseline. According to WEFA economists, commercial establishments, including hospitals, schools and industrial facilities would see electricity price increases of 35% by 2010. In fact, this amounts to an extremely regressive tax. For individuals and families on limited or fixed incomes, heating your home in the winter is hardly a luxury. For these people, expenditures on energy represent a relatively large percentage of their income, leaving them with less money to purchase other necessities. The increased cost of energy would have lasting, drastic economic effects on the citizens of Rhode Island and the nation.

And now for the silver cloud with the lead lining. New England is projected to be among the least heavily affected regions in the country! As Rhode Island is at the end of energy pipelines, energy costs are already very high. These high costs have driven away much of the manufacturing base, and there is little mining in the region. Still, in less than twelve years, my constituents would face direct and indirect costs per year of over \$3,000 per household. Other

speakers will go over the expected national economic impact. so I will only say that in all areas of the country, families will see real increases in unemployment, energy 'costs, and loss of wages.

As for the specifics of how the emissions reduction programs would be implemented, Rhode Island would again be hit hard. Rhode Island is still working hard and undergoing sacrifices to meet the goals of the Ozone Transport Assessment Group, (OTAG) and the National Ambient Air Quality Standards for Particulate Matter (NAAQS/PM). Rhode Island passed Senate Resolution 884, opposing new NAAQS and PM standards, and requesting identification of the full costs involved with this unfunded mandate. We are still working on meeting the current standards, and have not yet seen the results of a fully implemented the IM 240 program. Further unfunded mandates in the form of emissions reductions programs promoted by the EPA would be of grave concern to the states.

As a state legislator, I am concerned about the pressure the EPA is putting on state agencies. At recent conferences of the **Environmental** Council of States, cosponsored by the **EPA**, the tone was established at the outset. A conference brochure proclaims that the US “must now begin designing policies and programs to meet this (emissions) reduction goal.” This is certainly premature, given the fact that the U.S. Senate has not ratified or even debated the merits of the treaty to this point.

In response to this pressure, ALEC has recently passed the State Responses to Kyoto Climate Change Protocols Act. This model bill, for use by state legislators around the country, prevents state agencies from promulgating rules and regulations designed to meet Kyoto

emissions reductions targets until three things have occurred. First, the United States Senate must ratify the treaty. Second, congress must pass implementing legislation. Third, the state legislature must also act. In this way, the constitutional separation of powers is protected, state sovereignty is respected, and if the treaty is ultimately adopted, states will be free to experiment and innovate in reaching the overall emissions goals.

It is clear that the debate over global climate change has yet to run its course. Implementation efforts by the EPA and state agencies should cease until important questions about the science have been answered, full participation in any agreement has been ensured, and the extreme economic costs have been taken into account. The United States should not implement the Kyoto protocol.

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 1997

SENATE RESOLUTION

MEMORIALIZING THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AS IT UNDERTAKES A REVIEW OF THE NATIONAL AMBIENT AIR QUALITY STANDARDS FOR OZONE AND PARTICULATE MATTER

97-S 884

Introduced By: Senators Badeau, Kelly, Irons,
McBurney, O'Leary, Connors, et. al.

Date Introduced: March 4, 1997

Referred To: Read and Passed

WHEREAS, The United States Environmental Protection Agency (EPA) has the responsibility to periodically review the **National Ambient Air Quality Standards (NAAQS)** to **ascertain** if such standards are sufficiently protective of human health; and

WHEREAS, The EPA has proposed changes in the NAAQS relative to ozone and **particulate** matter which will make attainment of **these** new standards extremely difficult; and

WHEREAS, The State of Rhode Island, through its citizens, businesses, local governments, the General **Assembly** and its regulatory agencies, has worked with commitment and dedication **to reduce** air pollution and to meet the **1999** deadline for attainment of clean air standards; and

WHEREAS, The EPA is **proposing** to scrap the standards set by them for states, counties and local communities to achieve attainment of clean air and to substitute new, more restrictive standards which will make attainment more **difficult** if not impossible; and

WHEREAS, If the new standards for **ozone** and **particulates** are imposed, the **entire** state of Rhode **Island**, which is making great strides in meeting EPA's current standards, would have to impose even more stringent and costly controls on residents, local businesses **and all levels** of government; and

WHEREAS, EPA's own Advisory **Committee** of scientists recently concluded **the** new standards **are not anymore** likely to **improve** public health than existing standards; and

WHEREAS, Lowering **the** NAAQS for ozone and **particulates** may well preclude **Rhode** Island **from ever** achieving attainment, thus Imposing significant and long lasting economic, administrative and regulatory burdens on the citizens of Rhode Island, their business and their governments; and

WHEREAS, Rhode Island regulatory agencies would be **forced to** devote substantial resources in developing a new **State Implementation Plan (SIP)** if the NAAQS standards *are* significantly revised by **the** EPA; now, **therefore**, be it

RESOLVED, That this Senate of the State of Rhode Island and Providence Plantations does **hereby** respectfully request and urge the United States Environmental Protection Agency (EPA), in support of its proposed NAAQS changes for ozone and particulates, to **reveal** the potential incremental health impacts and economic **consequences** of such changes, if any; and **be it further**

RESOLVED, That the Environmental Protection Agency is respectfully requested and **urged**, on behalf of all the people of **the** State of Rhode Island and Providence Plantations, to detail the unfunded mandates **and/or** other administrative burdens which a reduction in the NAAQS for ozone and **particulates** would impact on State and local governments, the economy and the citizens of the State of Rhode Island and Providence Plantations; and be it **further**

RESOLVED, **That** the Secretary of **State be** and he hereby is authorized **and** directed to transmit **duly** certified copies of this *resolution* to Ms. **Carol** Browner, Administrator, **USEPA, 401 M Street, SW, Washington, DC 20460** and the members of the Rhode Island delegation to the United States Congress.

PD00573

SENATE RESOLUTION

MEMORIALIZING THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AS IT
UNDERTAKES A REVIEW OF THE NATIONAL AMBIENT AIR QUALITY STANDARDS FOR
OZONE AND PARTICULATE MATTER

Presented by

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THE SENATE, MAR 0 4 1997

Read and PASSED

Robert V. Landi, Jr.

Reading Clerk

**State Responses to Kyoto Climate Change Protocol
A Bill
IN THE [HOUSE/SENATE] OF [STATE]**

An Act prohibiting the proposal or promulgation of state regulations intended to reduce emissions of greenhouse gases, prior to ratification of the Kyoto climate change protocol by the United States Senate and enactment of implementing legislation by the United States Congress.

An Act Concerning the Kyoto Climate Change Protocol

Short Title: This act may be referred to as the Kyoto Protocol Act of 1998.

Section 1. Findings and Purposes

The [House/Senate] of [State] hereby finds that:

(a) The United States is a signatory to the 1992 United Nations Framework Convention on Global Climate Change ("FCCC");

(b) A protocol to expand the scope of the FCCC was negotiated in December 1997 in Kyoto, Japan ("Kyoto Protocol"), requiring the United States to reduce emissions of greenhouse gases such as carbon dioxide and methane by seven percent from 1990 emission levels during the period 2008 to 2012, with similar reduction obligations for other major industrial nations;

(c) Developing nations, including China, India, Mexico, Indonesia, and Brazil, are exempt from greenhouse gas emission limitation requirements in the FCCC;

(d) Developing nations refused in the Kyoto negotiations to accept any new commitments for greenhouse gas emission limitations through the Kyoto Protocol or other agreements;

(e) With respect to new commitments under the FCCC, President William Clinton pledged on October 22, 1997, that "The United States will not assume binding obligations unless key developing nations meaningfully participate in this effort";

(f) On July 25, 1997, the United States Senate Resolution No. 98 by a vote of 95-0, expressing the Sense of the Senate that, *inter alia*, 'the United States should not be a signatory to any protocol to or other agreement regarding, the Framework Convention on Climate Change...which would require the advice and consent of the Senate to ratification, and which would mandate new commitments to mitigate greenhouse gas emissions for the Developed Country Parties, unless the protocol or other agreement also mandates specific scheduled commitments within the same compliance period to mitigate greenhouse gas emissions for Developing country Parties;'

(g) The Kyoto Protocol fails to meet the tests established for acceptance of new climate change commitments by President Clinton and by U.S. Senate Resolution No. 98;

(h) Achieving the emission reductions proposed by the Kyoto Protocol would require more than a **35** percent reduction in projected United States carbon dioxide and other greenhouse gas emissions during the period 2008 to 2012;

(i) Developing countries exempt from emission limitations under the Kyoto Protocol are expected to increase their rates of fossil fuels use over the next two decades, and to surpass the United States and other industrialized countries in total emissions of greenhouse gases;

(j) Increased emissions of greenhouse gases by developing countries would offset any potential environmental benefits associated with emissions reductions achieved by the United States and by other industrial nations;

(k) Economic impact studies by the U.S. Government estimate that legally binding requirements for the reduction of U.S. greenhouse gases to 1990 emission levels would result in the loss of more than 900,000 jobs in the United States, sharply increased energy prices, reduced family incomes and wages, and severe losses of output in energy -intensive industries such as aluminum, steel, rubber, chemicals, and utilities;

(l) The failure to provide for commitments by developing countries in the Kyoto Protocol creates an unfair competitive imbalance between industrial and developing nations, potentially leading to the transfer of jobs and industrial development from the United States to developing countries;

(m) Federal implementation of the Kyoto Protocol, if ratified by the United States Senate, would entail new Congressional legislation whose form and requirements cannot be predicted at this time, but could include national energy taxes or emission control allocation and trading schemes that would preempt state-special programs intended to reduce emissions of greenhouse gases;

(n) Piecemeal or other uncoordinated state regulatory initiatives intended to reduce emissions of greenhouse gases may be inconsistent with subsequent Congressional determinations concerning the Kyoto Protocol, and with related Federal legislation implementing the Kyoto Protocol;

(o) Individual state responses to the Kyoto Protocol, including the development of new regulatory programs intended to reduce greenhouse emissions, are premature prior to Senate ratification of that Protocol, in its current or amended form, and Congressional enactment of related implementing legislation;

(p) There is neither Federal nor [State] statutory authority for **new** regulatory programs or other efforts intended to reduce greenhouse gas emissions for purposes of complying with or facilitating compliance with the provisions of the Kyoto Protocol.

Section 2. Restrictions on State Regulations Related to Greenhouse Gas Emissions

(a) Effective immediately, the [Secretary/Administrator/Director] of the [State] [Department/ Agency of Environmental Protection or any appropriate agency] shall not propose. or promulgate any new regulations intended in whole or in part to reduce emissions of greenhouse gases, as such gases and emissions are defined by the Kyoto Protocol, from the residential, commercial, industrial, electric utility, transportation, agriculture, energy, or mining sectors;

(b) In the absence of a resolution or other act of the [**House/Senate** of] approving same, the [Secretary/Administrator/Director] of the [State], [Department/Agency of Environmental Protection or other appropriate agency] shall not submit to the U.S. Environmental Protection Agency or to any other agency of the Federal Government any legally enforceable commitments related to the reduction of greenhouse gases, as such gases are defined by the Kyoto Protocol;

(c) Nothing in this section shall be construed to limit or to impede state or private participation in any on-going voluntary initiatives to reduce emissions of greenhouse gases, including, but not limited to, the U.S. Environmental Protection Agency's Green Lights program, the U.S. Department of Energy's Climate Challenge program, and similar State and Federal initiatives relying on voluntary participation;

(d) This Act shall remain in effect until repealed by an Act of the Legislature of the [State/Commonwealth] of [State], or until ratification of the Kyoto Protocol by the United States Senate and enactment of Federal legislation implementing the Kyoto Protocol.